

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6294

BILL NUMBER: HB 1079

NOTE PREPARED: Nov 20, 2002

BILL AMENDED:

SUBJECT: Taxpayer Protection and Development Assistance.

FIRST AUTHOR: Rep. Cheney

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires the Department of Commerce to: (1) adopt a standardized form that must be completed by any person receiving at least \$5,000 in development assistance; (2) publish a report based on the forms; and (3) provide the report at no cost to the public. The bill also requires the Department to use existing resources and authorized but vacant staff positions to perform its duties.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The Indiana Department of Commerce (IDOC) would incur additional administrative expenses relating to the information collection and reporting duties required by the bill. However, the bill requires the IDOC to use existing resources and authorized but vacant staff positions to perform these duties. According to the IDOC, the duties mandated by the bill will require two PAT II-level employees and two PAT IV-level employees. The October 2, 2002, state staffing table indicates that the IDOC has 50 vacant full-time positions, including regional office positions. While none of the vacancies are PAT IV-level positions, two of the vacancies are PAT II-level positions.

Information Collection and Reporting Requirements: The bill requires the IDOC to adopt a standardized form to be completed by any person who, after December 31, 2003, applies for and receives at least \$5,000 in development assistance under a program or fund operated or administered by the state or a political subdivision. The bill specifies the information to be required on the form and requires the IDOC to adopt the information form before January 1, 2004. The bill defines "development assistance" as tax deductions for rehabilitation or redevelopment of real property in economic revitalization areas; loans and loan guarantees; tax increment financing; grants, including research and development grants; land price subsidies; infrastructure benefitting a business or group of businesses; matching funds; and inventory tax credits. The

bill also requires the IDOC to publish an annual report compiling and summarizing the information provided through the development assistance reporting process. The IDOC must provide the annual report in paper form at a centralized location and electronically on the IDOC's Internet site.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill requires a recipient of development assistance from a local unit to submit a completed information report form to that local unit. Each local unit granting development assistance must forward copies of report forms received to the IDOC. In addition, the bill requires such local units to annually provide the IDOC with a list of development assistance recipients who failed to submit a completed information report form. The administrative impact of this requirement is unknown.

Explanation of Local Revenues: The bill provides for the suspension of current and future development assistance activities between the IDOC and any local unit that does not provide the IDOC with a listing of recipients of local development assistance who failed to submit a completed information report form. The impact that this provision may have is indeterminable.

State Agencies Affected: Indiana Department of Commerce.

Local Agencies Affected: Local units granting development assistance.

Information Sources: Richard Rowley, Indiana Department of Commerce, (317) 232-8780.

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